



General Assembly

January Session, 2001

***Raised Bill No. 1395***

LCO No. 4601

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

***AN ACT CONCERNING COMMERCIAL REAL ESTATE BROKERAGE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (a) If a landlord or tenant in a commercial real  
2       estate transaction enters into a compensation agreement pursuant to  
3       subsection (b) or (c) of section 20-325a of the general statutes for the  
4       payment of compensation, or the promise of payment, to a real estate  
5       broker in consideration for brokerage services rendered in connection  
6       with the consummation of a written lease, then notwithstanding any  
7       rule or construction of law under which such compensation may  
8       otherwise be considered the personal obligation of the original  
9       landlord or tenant specifically named in the written lease, the  
10      compensation agreement shall constitute a binding contractual  
11      obligation of such landlord or tenant, as the case may be, and their  
12      respective grantees, successors and assigns. Upon any sale, transfer,  
13      assignment or other disposition, including, but not limited to, any such  
14      disposition by reason of the enforcement of a mortgage, lien, deed to  
15      secure debt or other security instrument of a landlord's interest in real  
16      property or upon any sale, assignment, transfer or other disposition of  
17      a tenant's leasehold interest, the succeeding party shall be bound for all

18 obligations under such compensation agreement accruing after the  
19 sale, transfer, assignment or other disposition with the same effect as if  
20 such succeeding party had expressly assumed the landlord's or  
21 tenant's obligations relating to the written agreement if: (1) The real  
22 estate broker has complied with the provisions of subsections (b) to  
23 (d), inclusive, of this section; (2) the succeeding party assumes the  
24 benefits of the tenancy; and (3) the compensation agreement has not  
25 been waived in writing by the real estate broker.

26 (b) A real estate broker shall be entitled to the protections afforded  
27 by this section only upon the broker's recording a notice of commission  
28 rights in the land records in the office of the town clerk in the town in  
29 which the real property or leasehold interest is located not later than  
30 thirty days after the execution of the lease or the tenant's occupancy of  
31 the leased premises, whichever is later. The notice of commission  
32 rights shall (1) be filed before conveyance of the real property, (2) be  
33 signed by the real estate broker or by a person expressly authorized to  
34 sign on behalf of the broker, and (3) be in substantially the following  
35 form:

36 NOTICE OF COMMISSION RIGHTS

37 The undersigned licensed Connecticut real estate broker does  
38 hereby publish this NOTICE OF COMMISSION RIGHTS to establish  
39 that the lease referenced below was procured by a real estate broker  
40 pursuant to a written brokerage commission agreement providing for  
41 the payment or promise of payment of compensation for brokerage  
42 services.

43 Owner: ....

44 Landlord: ....

45 Tenant: ....

46 Lease date: .... Lease term: ....

47 Project or building name (if any): ....

48 Real estate broker name....

49 ....

50 Address

51 ....

52 Telephone number

53 ....

54 Real estate license number

55 (c) The real estate broker shall provide an owner, tenant or  
56 mortgagee a statement, in a form suitable for recording on the land  
57 records, that waives the broker's commission rights not later than  
58 thirty days after the receipt of the final payment of commissions due  
59 under the written brokerage commission agreement.

60 (d) Notwithstanding any provision of this section, nothing in this  
61 section shall be construed to create a lien on the real property that is  
62 the subject of the lease.

***Statement of Purpose:***

To require notice to buyers when a listing agreement provides that the broker will be paid on the renewal or extension of a lease the broker obtained for the landlord when the landlord who executed the original listing sells the building before the renewal or extension takes place.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*